

**EXHIBIT B**

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1 UNITED STATES DISTRICT COURT  
1 SOUTHERN DISTRICT OF NEW YORK  
2 -----x  
2 11 CV 05201 (DC)  
3 FEDERAL HOUSING  
3 FINANCING AGENCY 11 CV 06188 (DC)  
4 11 CV 06190 (DC)  
4 v. 11 CV 06192 (DC)  
5 11 CV 06193 (DC)  
5 UBS AMERICAS INC. 11 CV 06195 (DC)  
6 and others and its 11 CV 06196 (DC)  
6 related cases 11 CV 06198 (DC)  
7 11 CV 06200 (DC)  
7 11 CV 06201 (DC)  
8 11 CV 06202 (DC)  
8 11 CV 06203 (DC)  
9 11 CV 06739 (DC)  
9 11 CV 07010 (DC)  
10 11 CV 07048 (DC)  
10 -----x

11 May 14, 2012  
11 3:15 p.m.

12 Before:

12 HON. DENISE COTE,  
13

13 District Judge  
14

14 APPEARANCES  
15

15 QUINN EMANUEL URQUHART & SULLIVAN, LLP  
16 Attorneys for Plaintiff Federal Housing Finance Agency  
16 PHILLIPPE SELENDY, ESQ.  
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23 Attorneys for Defendant UBS AMERICAS INC. and affiliated  
24 entities and individuals (11 CV 5201) SG Americas, Inc. and  
24 affiliated entities and individuals (11 CV 6203)  
25 JAY KASNER, ESQ.  
25 SCOTT MUSOFF, ESQ.

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1 together a protocol.

2 THE COURT: Is there any objection to that by any  
3 defendant?

4 MS. SHANE: Your Honor, we don't have an objection,  
5 but it's the first we've heard of it, and as I say the format  
6 and retention of these kinds of documents is not uniform, as  
7 far as I know, across defendants, so we would respectfully  
8 request permission to try to track it down for the plaintiff  
9 and if we have a problem let the plaintiff know and if we still  
10 have a problem come to your Honor with any specifics about it.

11 THE COURT: Thank you, Ms. Shane. So I'm going to  
12 assume since no one voiced an objection that everyone will  
13 produce that to the extent they're able to and we'll discuss  
14 any difficulty with Ms. Chung as soon as they become aware of  
15 any difficulty. Thank you so much for your cooperation on that  
16 score.

17 Let's turn to sampling. As I understand it in the 16  
18 cases there are 449 securitizations. There are 83 entity  
19 defendants. The investments are in billions of dollars. As  
20 low as half a billion to as much as 33 billion. There are  
21 2.7 million loans and an individual loan file averages as many  
22 as 300 pages. I indicated at our first conference that it  
23 would be important to control the expense and burden of  
24 discovery in this case and we would be sampling the loan files.  
25 We're going to sample the loan files from the beginning of the

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1 case. We're not going to produce all the loan files, have  
2 expert discovery with respect to all the loan files, and then  
3 come up with a sampling mechanism as the defendants propose.  
4 That saves no one any expense or burden.

5 So the issue is what is our universe of loan files to  
6 be scrutinized here. The plaintiff has made a detailed  
7 proposal and before -- and I have a number of questions for  
8 counsel about these matters, but I did ask Mr. Kasner to be  
9 prepared and I'm happy to hear from other defense counsel in  
10 their cases about how due diligence -- whether as part of the  
11 due diligence function of the defendants loan files were  
12 examined and if so was there any sampling protocol and if so  
13 what percentage of loan files were sampled.

14 Mr. Kasner, were you able to get any light shed on  
15 that issue?

16 MR. KASNER: Yes, your Honor, some. I can't vouch for  
17 the holder of the flashlight, but I believe based on what I'm  
18 about to tell your Honor that that is the case, and I do  
19 appreciate your Honor acknowledging that different defendants  
20 in these cases are differently situated.

21 Ms. Shane I believe is prepared to address your Honor  
22 as well on the issue of sampling on behalf of the group as a  
23 whole, but mindful of your Honor's order, at UBS as I've  
24 advised the Court there were two different roles that UBS had.  
25 It was not a loan originator as opposed to some of the other

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